

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. 05-_____</b>
<b>v.</b>	<b>:</b>	<b>DATE FILED: October 25, 2005</b>
<b>RICHARD MARIANO</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>PHILIP CHARTOCK</b>	<b>:</b>	<b>18 U.S.C. § 371 (conspiracy to commit</b>
<b>LOUIS CHARTOCK</b>	<b>:</b>	<b>honest services fraud - 1 count)</b>
<b>JOSEPH PELLECCIA</b>	<b>:</b>	<b>18 U.S.C. §§ 1341, 1346 (mail fraud:</b>
<b>VINCENT DIPENTINO</b>	<b>:</b>	<b>deprivation of right to honest services of</b>
<b>REINALDO PASTRANA</b>	<b>:</b>	<b>public official - 8 counts)</b>
	<b>:</b>	<b>18 U.S.C. §§ 1343, 1346 (wire fraud:</b>
	<b>:</b>	<b>deprivation of right to honest services of</b>
	<b>:</b>	<b>public official - 8 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 1956(a)(1)(b)(i) (money</b>
	<b>:</b>	<b>laundering - 2 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 666 (bribery - 6 counts)</b>
	<b>:</b>	<b>26 U.S.C. § 7206(1) (false tax return - 1</b>
	<b>:</b>	<b>count)</b>
	<b>:</b>	<b>18 U.S.C. § 2 (aiding and abetting)</b>
	<b>:</b>	

**INDICTMENT**

**COUNT ONE**

**CONSPIRACY TO COMMIT HONEST SERVICES FRAUD**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. Defendant RICHARD MARIANO was an elected member of Philadelphia City Council representing the Seventh Councilmatic District. Defendant MARIANO was first elected to this position in November 1995 and was reelected in November 1999 and November 2003. Defendant MARIANO currently serves as chair of the City Council Committee on Licenses and Inspections, which is responsible for all matters relating to licenses and

inspections, building safety and sanitation, and building, housing, and electrical codes and standards.

2. The City of Philadelphia and its citizens have a right to the honest services of their public officials in the operation of City government. As such a public official, defendant RICHARD MARIANO owed the City and its citizens, under the City Charter, the Philadelphia Code, and Pennsylvania and common law, a duty to: (a) refrain from the use of public office for private gain; (b) disclose conflicts of interest and other material information in matters over which he had authority and discretion that resulted in his direct or indirect personal gain; (c) refrain from holding financial interests that conflicted with the conscientious performance of his duties, or recuse himself from matters in which his financial interest may be affected; (d) refrain from soliciting or accepting any item of monetary value, including gifts and loans, with the intent to be influenced, from any person seeking official action from, doing business with, or whose interests may be affected by the performance or nonperformance of his duties; (e) act impartially and not give preferential treatment to any private individual seeking to conduct or conducting business with the City; and (f) disclose waste, fraud, abuse, and corruption to appropriate authorities.

3. In violation of each aspect of his duties listed above, defendant RICHARD MARIANO's actions while serving as an elected member of Philadelphia City Council were unlawfully influenced by bribes, gifts, loans, and other benefits he received from defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, and VINCENT DIPENTINO, and from REINALDO PASTRANA (charged elsewhere in this indictment), and

others known and unknown to the grand jury, all of which defendant MARIANO failed to disclose.

4. Defendant PHILIP CHARTOCK was the president of Erie Steel, Ltd., a company that sold processed steel coils and which was located at 3630 North 2nd Street, Philadelphia, Pennsylvania, in the Seventh Councilmatic District. As described in detail below, defendant PHILIP CHARTOCK repeatedly sought defendant RICHARD MARIANO's assistance with City agencies and obtained defendant MARIANO's sponsorship of, and favorable vote on, legislation offering tax relief to Erie Steel, Ltd. through the Keystone Opportunity Zone ("KOZ") program. In 2002, defendant PHILIP CHARTOCK also caused Erie Steel, Ltd. to pay more than \$23,000 of the personal credit card debt of defendant MARIANO, which defendant MARIANO failed to disclose.

5. Defendant LOUIS CHARTOCK was the president of Erie Trading Company, Inc., Louis Chartock, Inc., and Dynacure, Inc. until on or about December 2, 1999, at which time the operations of these companies were transferred to Erie Steel, Ltd. After the operations were transferred to Erie Steel, Ltd., defendant LOUIS CHARTOCK remained active in the operations of Erie Steel, Ltd., by, among other things, giving directions to his son, defendant PHILIP CHARTOCK, including directions about making payments to defendant MARIANO, seeking defendant MARIANO's assistance with City agencies, and obtaining defendant MARIANO's sponsorship of, and favorable vote on, legislation offering tax relief to Erie Steel, Ltd. through the KOZ program. In 2004 and 2005, defendant LOUIS CHARTOCK, together with defendant PHILIP CHARTOCK, attempted to conceal the payments made by Erie

Steel, Ltd. on behalf of defendant MARIANO by falsely claiming that such payments were loans and had been repaid.

6. Defendant JOSEPH PELLECCCHIA was the chief executive officer of Danlin Management Group, Inc., a company that provided workers compensation consulting services to, among others, the Philadelphia School District. Defendant JOSEPH PELLECCCHIA repeatedly sought defendant MARIANO's assistance with City agencies and with the School District of Philadelphia, including MARIANO's assistance in obtaining a \$225,000 consulting contract with the School District. Defendant PELLECCCHIA assisted Erie Steel, Ltd. and defendant MARIANO disguise the nature and source of a \$6,672 payment towards the personal credit card debt of defendant MARIANO, which defendant MARIANO failed to disclose.

7. Defendant VINCENT DIPENTINO was a licensed realtor with Century 21 DiPentino Associates, located at 1222 East Hunting Park Avenue, Philadelphia, Pennsylvania, in the Seventh Councilmatic District. Defendant DIPENTINO also operated Recon International, Inc., a real estate development firm. Defendant DIPENTINO repeatedly sought defendant RICHARD MARIANO's assistance with City agencies, including MARIANO's assistance in obtaining properties from the City through the City's Vacant Property Review Committee. Defendant DIPENTINO assisted Erie Steel, Ltd. and defendant MARIANO disguise the nature and source of a \$10,900 payment towards the personal credit card debt of defendant MARIANO, which defendant MARIANO failed to disclose.

8. REINALDO PASTRANA (charged elsewhere in this indictment) was a real estate developer, who developed Plaza Americana, a shopping center located at American Street and Lehigh Avenue, Philadelphia, Pennsylvania, in the Seventh Councilmatic District.

PASTRANA repeatedly sought defendant RICHARD MARIANO's assistance with City agencies and obtained defendant MARIANO's sponsorship of, and favorable vote on, legislation through which PASTRANA acquired a city-owned property located at American and Somerset Streets for \$100,000. From 2002 to 2004, PASTRANA paid more than \$5,400 for membership fees at the Sporting Club at the Bellevue on behalf of defendant MARIANO, which defendant MARIANO failed to disclose.

### **THE CONSPIRACY**

9. From in or about at least 2002 to in or about July 2005, in the Eastern District of Pennsylvania, and elsewhere, defendants

**RICHARD MARIANO,  
PHILIP CHARTOCK,  
LOUIS CHARTOCK,  
JOSEPH PELLECCIA, and  
VINCENT DIPENTINO**

conspired and agreed, together and with others known and unknown to the grand jury, to commit an offense against the United States, that is, to knowingly devise a scheme to defraud the City of Philadelphia and its citizens of the right to defendant RICHARD MARIANO's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and to use the United States mails and other interstate delivery services and interstate wire communications to further the scheme to defraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 1346.

## **MANNER AND MEANS**

It was part of the conspiracy that:

10. Defendants PHILIP CHARTOCK and LOUIS CHARTOCK sought to illegally influence defendant RICHARD MARIANO through corrupt payments of more than approximately \$23,000 towards the personal credit card debt of defendant MARIANO.

11. After accountants reviewing the financial records of Erie Steel, Ltd., discovered that Erie Steel, Ltd. had no supporting documentation for a check in the amount of \$5,873.75 which had been used to pay the personal credit card debt of defendant MARIANO, defendants JOSEPH PELLECCCHIA and VINCENT DIPENTINO, each of whom also benefitted through the official actions of defendant MARIANO, agreed to assist defendant MARIANO and Erie Steel, Ltd. disguise the nature and source of additional Erie Steel, Ltd. payments to defendant MARIANO by depositing Erie Steel, Ltd. checks into other bank accounts and then immediately writing personal checks or obtaining bank checks that defendant MARIANO used to pay his personal credit card debt.

12. Without disclosing any of the corrupt payments as he was required by local and state law to do, defendant RICHARD MARIANO took official actions benefitting defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, and VINCENT DIPENTINO, including sponsoring and voting in favor of legislation that provided KOZ benefits to Erie Steel, Ltd., intervening on behalf of Erie Steel, Ltd. with, among other City agencies, the Air Management Services division of the Department of Public Health, promoting Danlin Management Group, Inc. for a workers compensation consulting contract with the Philadelphia School District and assisting Danlin Management Group, Inc. in its efforts to be

paid for work it allegedly performed under the consulting contract, and intervening on behalf of Century 21 DiPentino Associates and Recon International, Inc. in their efforts to obtain, among other things, certifications, licenses, compromises of certain tax, water, and sewer penalties, and properties from the City of Philadelphia.

13. After M.G., a person known to the grand jury who was a former bookkeeper of Erie Steel, Ltd., wrote anonymous letters to the City Council President and the Mayor (a copy of which the City Council President gave to defendant MARIANO) alleging that defendant MARIANO received illegal payments from Erie Steel, Ltd. in exchange for official acts and included a copy of documents showing that Erie Steel, Ltd. had issued a \$5,873.75 check to pay the personal credit card debt of defendant MARIANO, defendants PHILIP CHARTOCK and LOUIS CHARTOCK sent false documents to the Philadelphia District Attorney's Office, which was prosecuting M.G. on embezzlement charges. In these documents, defendants PHILIP CHARTOCK and LOUIS CHARTOCK falsely stated that defendant PHILIP CHARTOCK had made a loan to defendant MARIANO and that defendant MARIANO had repaid the loan. Defendants PHILIP CHARTOCK and LOUIS CHARTOCK failed to mention the other payments, totaling at least \$17,000, that they made to defendant MARIANO to pay his personal credit card debt and which were disguised, with the assistance of defendants JOSEPH PELLECCCHIA and VINCENT DIPENTINO, as payments from unrelated entities and/or persons. Defendants PHILIP CHARTOCK and LOUIS CHARTOCK made these false statements in an attempt to conceal their corrupt payments to defendant MARIANO and in an effort to continue to receive benefits from their corrupt relationship with defendant MARIANO.

## **OVERT ACTS**

In furtherance of the conspiracy, defendants RICHARD MARIANO, PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, and VINCENT DIPENTINO, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere.

### **A. PAYMENTS BY ERIE STEEL FOR MARIANO'S CREDIT CARD DEBTS**

1. On or about May 10, 2002, defendant PHILIP CHARTOCK gave defendant RICHARD MARIANO a check from Erie Steel, Ltd. in the amount of \$5,873.75 made payable to Fleet Credit Card Service.
2. On or about May 10, 2002, defendant RICHARD MARIANO sent by U.S. Mail the check from Erie Steel, Ltd. in the amount of \$5,873.75 to Fleet Credit Card Services, Post Office Box 15368, Wilmington, Delaware 19886, to pay his personal credit card debt.
3. On or about June 18 and 19, 2002, an accounting firm retained by Erie Steel, Ltd.'s bank performed an examination of the financial records of Erie Steel, Ltd. During this examination, the accountants asked defendant PHILIP CHARTOCK about the \$5,873.75 check made payable to Fleet Credit Card Service for which there was no supporting documentation. Defendant PHILIP CHARTOCK told the accountants that he had paid a politician's debt.
4. On or about July 15, 2002, the accounting firm retained by Erie Steel, Ltd.'s bank issued a report in which they informed Erie Steel, Ltd., including defendants PHILIP CHARTOCK and LOUIS CHARTOCK, that the payment of a politician's debt was not an



appropriate business expense and that Erie Steel, Ltd. would have to reclassify the expense as a loan from Erie Steel, Ltd. to defendant PHILIP CHARTOCK.

5. On or about August 26, 2002, defendant PHILIP CHARTOCK – with the knowledge and approval of defendant LOUIS CHARTOCK – gave defendant RICHARD MARIANO a check from Erie Steel, Ltd. in the amount of \$6,772 and made payable to W.B., a person known to the grand jury. Defendant PHILIP CHARTOCK caused this payment to be falsely classified as a repair and maintenance expense on the books and records of Erie Steel, Ltd.

6. On or about August 28, 2002, at the request of defendant RICHARD MARIANO, defendant JOSEPH PELLECCCHIA caused his wife, R.M., a person known to the grand jury, to deposit the Erie Steel, Ltd., check in the amount of \$6,772 into an account at Citizens Bank titled in the names of W.B. and R.M.

7. On or about August 28, 2002, defendant JOSEPH PELLECCCHIA caused R.M. to purchase a bank check at Citizens Bank in the amount of \$6,772 and made payable to AT&T Universal Card.

8. On or about August 28, 2002, defendant RICHARD MARIANO sent by U.S. Mail the Citizens Bank bank check in the amount of \$6,772 to AT&T Universal Card, Post Office Box 8115, South Hackensack, NJ 07606, to pay his personal credit card debt.

9. On or about December 6, 2002, defendant PHILIP CHARTOCK gave defendant RICHARD MARIANO a check from Erie Steel, Ltd. in the amount of \$10,900 and made payable to Recon International, Inc. Defendant PHILIP CHARTOCK caused this payment

to be falsely classified as a freight, equipment, rental expense on the books and records of Erie Steel, Ltd.

10. On or about December 6, 2002, defendant VINCENT DIPENTINO deposited the Erie Steel, Ltd., check in the amount of \$10,900 into his account at PNC Bank.

11. On or about December 6, 2002, defendant VINCENT DIPENTINO wrote a check made payable to Capital One in the amount of \$10,900 drawn on his account at PNC Bank.

12. On or about December 6, 2002, defendant RICHARD MARIANO sent by U.S. Mail the PNC check in the amount of \$10,900 to Capital One, Post Office Box 85147, Richmond, VA 23276, to pay his personal credit card debt.

**B. MARIANO'S CONCEALMENT OF HIS FINANCIAL RELATIONSHIPS**

13. On or about March 4, 2003, defendant RICHARD MARIANO filed his 2002 Commonwealth of Pennsylvania Statement of Financial Interests. In this Statement, defendant MARIANO disclosed that, during 2002, he had outstanding credit card debt to Fleet National Bank, AT&T Universal, and Capital One, but failed to disclose that he had received payments from, or had any other financial relationship with, among others, defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCIA, VINCENT DIPENTINO and/or any companies with which these individuals are associated.

14. On or about April 7, 2003, defendant RICHARD MARIANO filed his 2002 City of Philadelphia Statement of Financial Interests. In this Statement, defendant MARIANO disclosed that, during 2002, he had outstanding credit card debt to Fleet National Bank, AT&T Universal, and Capital One, but failed to disclose that he had received payments

from, or had any other financial relationship with, among others, defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, VINCENT DIPENTINO and/or any companies with which these individuals are associated.

15. On or about April 13, 2004, defendant RICHARD MARIANO filed his 2003 Commonwealth of Pennsylvania Statement of Financial Interests. In this Statement, defendant MARIANO disclosed that he had outstanding credit card debt only to MBNA America. Defendant MARIANO did not disclose any financial relationship with defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, VINCENT DIPENTINO and/or any companies with which these individuals are associated.

16. On or about April 13, 2004, defendant RICHARD MARIANO filed his 2003 City of Philadelphia Statement of Financial Interests. In this Statement, defendant MARIANO disclosed that he had outstanding credit card debt only to MBNA America. Defendant MARIANO did not disclose any financial relationship with defendants PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCCHIA, VINCENT DIPENTINO and/or any companies with which these individuals are associated.

**C. MARIANO'S SPONSORSHIP OF ERIE STEEL FOR KOZ BENEFITS**

17. In or about September 2002, defendants PHILIP CHARTOCK and LOUIS CHARTOCK sought defendant RICHARD MARIANO's assistance in obtaining tax relief through the designation of Erie Steel, Ltd. in the KOZ, an economic development program created by the Commonwealth of Pennsylvania through which businesses that have been designated by local governments receive exemptions from virtually all state and local taxes,

including exemption from state personal income taxes, business privilege taxes, and local real property taxes.

18. On or about November 13, 2002, defendant RICHARD MARIANO met with defendant PHILIP CHARTOCK to discuss with V.D., a City of Philadelphia official known to the grand jury who was responsible for administering the KOZ program, the possible inclusion of Erie Steel, Ltd. in the KOZ. At this meeting and in a follow-up letter, V.D. explained that Erie Steel, Ltd. previously had not been included in the KOZ because it had not met the KOZ criteria for the following reasons: (1) it was an existing business; (2) the property was not vacant; (3) there were no significant barriers to development; and (4) there was not the necessary 15 acres subzone required by the state legislation.

19. On or about November 25, 2002, defendant LOUIS CHARTOCK faxed a letter (from his home in Longport, New Jersey) to defendant RICHARD MARIANO in Philadelphia, in which defendant LOUIS CHARTOCK asked defendant MARIANO to introduce legislation to include Erie Steel, Ltd. in the KOZ.

20. After a new state law was passed in December 2002 authorizing municipalities to include additional businesses in the KOZ, defendants PHILIP CHARTOCK and LOUIS CHARTOCK sought defendant RICHARD MARIANO's sponsorship of local legislation to have Erie Steel, Ltd. included in the KOZ.

21. In or about January/February 2003, defendant RICHARD MARIANO, without disclosing his financial relationship with Erie Steel, Ltd. and defendants PHILIP CHARTOCK and LOUIS CHARTOCK, recommended to V.D. that Erie Steel, Ltd. be included in the KOZ, which would result in expected tax savings to Erie Steel, Ltd. of at least

approximately \$12,000 per year for the next six years for a total savings of approximately \$72,000.

22. On or about April 23, 2003, Philadelphia City Council received Bill Number 030242, which, if passed, would include a number of businesses, including Erie Steel, Ltd., in the KOZ.

23. On or about May 6, 2003, Philadelphia City Council Committee of the Whole held a hearing on Bill Number 030242. Without disclosing his financial relationship and recusing himself as he was required to do, defendant RICHARD MARIANO voted in favor of Bill Number 030242, which included Erie Steel, Ltd. in the KOZ. Bill Number 030242 was voted favorably out of the Committee and placed on the agenda of City Council for a vote.

24. On or about May 15, 2003, Philadelphia City Council considered Bill Number 030242 for final passage. Without disclosing his financial relationship and recusing himself as he was required to do, defendant RICHARD MARIANO voted in favor of Bill Number 030242, which included Erie Steel, Ltd. in the KOZ. On or about May 29, 2003, the Mayor of Philadelphia signed Bill Number 030242 into law.

25. On or about November 17, 2003, defendant PHILIP CHARTOCK sent by U.S. Mail a letter to PECO, with a carbon copy sent to defendant RICHARD MARIANO, seeking a rate reduction for Erie Steel, Ltd. because of its inclusion in the KOZ.

26. On or about February 27, 2004, defendant PHILIP CHARTOCK sent a letter to V.D. informing the City of Erie Steel, Ltd.'s efforts, with the assistance of defendant RICHARD MARIANO, to resolve outstanding tax issues so that Erie Steel, Ltd. could receive KOZ tax benefits.

27. On or about October 12, 2004, defendant LOUIS CHARTOCK sent by U.S. Mail a letter to defendant RICHARD MARIANO seeking defendant MARIANO's assistance removing a judgment against Erie Steel, Ltd. so that Erie Steel, Ltd. could receive the KOZ tax benefits. In this same letter, defendant LOUIS CHARTOCK stated, "Philip [CHARTOCK] still loves you, he is keeping a low profile until Maggie's [the former Erie Steel, Ltd. bookkeeper] case is tried in January."

**D. OTHER MARIANO ACTS ON BEHALF OF PHILIP AND LOUIS CHARTOCK**

**1. ERIE STEEL'S DEPARTMENT OF PUBLIC HEALTH VIOLATIONS**

28. On or about May 6, 2002, officials of the Air Management Services division of the City of Philadelphia Department of Public Health asked defendant PHILIP CHARTOCK if they could inspect Erie Steel, Ltd. to determine whether it was in compliance with the City's air pollution standards.

29. Later in the day, on or about May 6, 2002, defendant RICHARD MARIANO, at the request of defendants PHILIP CHARTOCK and LOUIS CHARTOCK, called officials of the City of Philadelphia Department of Public Health to intervene on behalf of Erie Steel, Ltd. concerning the Air Management Services division's efforts to have Erie Steel, Ltd. comply with the City's permitting requirements for an industrial incinerator.

30. On or about May 7 and 17, 2002, officials of the Air Management Services division conducted an inspection of Erie Steel, Ltd. in the presence of defendant PHILIP CHARTOCK and determined that Erie Steel, Ltd. was in violation of a number of air pollution regulations.

31. On or about May 24, 2002, Erie Steel, Ltd. received notice from the Air Management Services division that the application for an operating permit for Erie Steel, Ltd.'s industrial incinerator would cost \$2,250 (plus the additional cost of an environmental consultant to test the air for pollution emissions, which defendant PHILIP CHARTOCK was informed would cost approximately \$6,875).

32. On or about July 16, 2002, defendants PHILIP CHARTOCK and LOUIS CHARTOCK received notice from the Air Management Services division that Erie Steel, Ltd. was in violation of various public health regulations because Erie Steel, Ltd. had failed to submit an application for a permit for an industrial incinerator and failed to submit required air pollution reports.

33. On or about August 5, 2002, defendant PHILIP CHARTOCK sent a letter to the Air Management Services division, with a carbon copy to defendant RICHARD MARIANO, in which defendant PHILIP CHARTOCK contested the violation notice, claiming that Erie Steel, Ltd.'s industrial incinerator was exempt from the permitting requirements.

34. On or about August 14, 2002, defendant PHILIP CHARTOCK received notice from the Air Management Services division that despite defendant PHILIP CHARTOCK's claims to the contrary, Erie Steel, Ltd. was required to submit an operating permit application for its industrial incinerator.

35. On or about December 6, 2002, defendant PHILIP CHARTOCK sent a letter to the Air Management Services division, with a carbon copy to defendant RICHARD MARIANO, in which defendant PHILIP CHARTOCK stated that he would submit a request for exemption from the City of Philadelphia operating permit requirement.

36. On or about December 9, 2002, defendant PHILIP CHARTOCK spoke with officials from the Air Management Services division, who told him that Erie Steel, Ltd. would have to have its consultant submit potential emissions calculations if Erie Steel, Ltd. wanted the City to determine whether a less expensive operating permit or an exemption from the operating permit requirement was appropriate.

37. On or about January 3, 2003, defendant PHILIP CHARTOCK told officials from the Air Management Services division that he would be submitting an operating permit application within two months.

38. On or about February 28, 2003, defendant PHILIP CHARTOCK sent a letter to the Air Management Services division, in which defendant PHILIP CHARTOCK claimed that because of a small fire at Erie Steel, Ltd., its industrial incinerator was out of service indefinitely, and, therefore, Erie Steel, Ltd. would not be submitting an operating permit application.

39. On or about April 12, 2005, defendant PHILIP CHARTOCK received notice from the Air Management Services division that Erie Steel, Ltd. was still not in compliance with City and state regulations and was required to submit an operating permit application no later than June 1, 2005.

**2. MARIANO'S OTHER ASSISTANCE TO  
THE CHARTOCKS AND ERIE STEEL, LTD.**

40. On or about January 31, 2002, defendant LOUIS CHARTOCK sought defendant RICHARD MARIANO's assistance in facilitating a rate reduction from the Pennsylvania Workers' Compensation Rating Bureau.



41. On or about February 14, 2002, defendant LOUIS CHARTOCK thanked defendant RICHARD MARIANO for his assistance in facilitating a rate reduction from the Pennsylvania Workers' Compensation Rating Bureau.

42. On or about March 4, 2004, defendant LOUIS CHARTOCK faxed a letter (from his second home in Fort Pierce, Florida) to A.D., a staffer in defendant RICHARD MARIANO'S office in Philadelphia who is known to the grand jury, in which defendant LOUIS CHARTOCK sought zoning information for the Erie Steel, Ltd. property in anticipation of a potential sale for a portion of the property to be used as a scrap yard.

43. In or about March 2004, defendant LOUIS CHARTOCK offered A.D. money and a trip to Florida in exchange for A.D. obtaining use and occupancy certifications. When A.D. refused to take the money and the trip, defendant LOUIS CHARTOCK called defendant RICHARD MARIANO to complain. Defendant MARIANO then berated A.D. for not assisting defendant LOUIS CHARTOCK, who defendant MARIANO described as a person who has helped him financially over the years.

44. On or about October 12, 2004, defendant LOUIS CHARTOCK sent a letter from New Jersey to defendant RICHARD MARIANO in Philadelphia in which defendant LOUIS CHARTOCK asked defendant MARIANO to have the City Solicitor open a judgment against Erie Steel, Ltd. and then negotiate a settlement of Erie Steel, Ltd.'s outstanding debt.

45. On or about January 15, 2005, defendant LOUIS CHARTOCK sent by U.S. Mail a letter to defendant RICHARD MARIANO seeking defendant MARIANO's assistance in compromising a delinquent state tax debt owed by Louis Chartock, Inc.

**E.     MARIANO’S ACTS ON BEHALF OF DANLIN MANAGEMENT GROUP**

46.     In or about March 2001, defendant JOSEPH PELLECHIA, with the assistance of defendant VINCENT DIPENTINO, sought defendant RICHARD MARIANO’s assistance in having PECO turn electric service on at a business operated by defendant PELLECCCHIA.

47.     On or about March 8, 2001, defendant RICHARD MARIANO contacted PECO and caused PECO to turn electric service on at a business operated by defendant PELLECCCHIA without the need for the usual deposit.

48.     In or about September 2002, defendant JOSEPH PELLECCCHIA sought defendant RICHARD MARIANO’s assistance in obtaining a contract from the Philadelphia School District for Danlin Management Group, Inc., a workers compensation consulting company owned by defendant PELLECCCHIA’s wife, R.M.

49.     In or about late 2002, defendants RICHARD MARIANO and JOSEPH PELLECCCHIA met with the Chief Executive Officer and Chief Financial Officer of the Philadelphia School District in an attempt to have the School District enter into a contract with Danlin Management Group, Inc. for workers compensation consulting services.

50.     On or about February 21, 2003, defendant JOSEPH PELLECCCHIA left a message for the Chief Financial Officer of the Philadelphia School District that defendant PELLECCCHIA was seeking to follow-up on “Councilman MARIANO’s conversation.”

51.     Between early 2003 and the summer of 2003, defendant RICHARD MARIANO telephoned the Chief Financial Officer of the Philadelphia School District and asked

that he return the telephone calls of defendant JOSEPH PELLECCCHIA about Danlin Management Group, Inc.'s efforts to obtain a consulting contract with the School District.

52. On or about September 26, 2003, defendant JOSEPH PELLECCCHIA obtained for Danlin Management Group, Inc. a \$225,000 consulting contract from the School District of Philadelphia.

53. On or about October 29, 2003, defendant JOSEPH PELLECCCHIA met with officials of the School District of Philadelphia to discuss expanding Danlin Management Group, Inc.'s consulting contract.

54. On or about July 20, 2004, the Philadelphia School District agreed to make a \$168,750 payment to Danlin Management Group, Inc. for additional consulting work. This payment brought the total payments made by the School District to Danlin to approximately \$393,750.

55. On or about July 28, 2004, defendant JOSEPH PELLECCCHIA sought the assistance of defendant RICHARD MARIANO to get additional consulting work for Danlin Management Group, Inc. from the Philadelphia School District and other City related agencies.

**F. MARIANO'S ACTS ON BEHALF OF VINCENT DIPENTINO**

56. On or about May 16, 2002, at the request of defendant VINCENT DIPENTINO, defendant RICHARD MARIANO had his staff ask to have the properties located at 1400 and 1402 E. Lycoming Street sold to defendant DIPENTINO through Recon International, Inc.

57. On or about July 12, 2005, defendant VINCENT DIPENTINO appeared before the City of Philadelphia Vacant Property Review Committee, and based in part on the

support of defendant RICHARD MARIANO, received approval to purchase the property located at 1402 E. Lycoming Street from the City of Philadelphia.

58. On or about September 8, 2003, at the request of defendant VINCENT DIPENTINO, defendant RICHARD MARIANO had his staff ask to have a property located at 4255 Castor Avenue moved to Sheriff's sale so that defendant DIPENTINO could purchase the property through Recon International, Inc.

59. On or about October 8, 2003, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance obtaining a use and occupancy certification for a property at 1208 E. Hunting Park Avenue.

60. On or about December 10, 2003, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance obtaining a use and occupancy certification for a property at 4814 Princeton Avenue.

61. On or about May 17, 2004, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance compromising outstanding taxes owed on a property at 10074 Sandmeyer Lane.

62. On or about June 28, 2004, at the request of defendant VINCENT DIPENTINO, defendant RICHARD MARIANO had his staff ask to have a property located at 4225 Lawndale Street moved to Sheriff's sale so that defendant DIPENTINO could purchase the property through Recon International, Inc.

63. On or about October 27, 2004, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance compromising outstanding taxes owed on a property at 1862 E. Clarence Street.

64. On or about December 10, 2004, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance compromising outstanding taxes owed on a property at 3926 Palmetto Street.

65. On or about December 14, 2004, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance compromising outstanding taxes owed on a property at 10074 Sandmeyer Lane.

66. On or about February 4, 2005, defendant VINCENT DIPENTINO sought defendant RICHARD MARIANO's assistance obtaining a use and occupancy certification for a property at 2340 S. 11<sup>th</sup> Street.

**G. THE ATTEMPTED COVERUP BY PHILIP AND LOUIS CHARTOCK**

67. On or about May 20, 2004, defendant RICHARD MARIANO learned from the City Council President that an anonymous complaint (which was written by M.G., a former bookkeeper of Erie Steel, Ltd., who, at the time, was facing criminal embezzlement charges) was made alleging that defendant MARIANO had received illegal payments from Erie Steel, Ltd.

68. On or about May 20, 2004, defendant RICHARD MARIANO, who was in Philadelphia, talked on the telephone with defendant LOUIS CHARTOCK, who was in Florida, and told defendant LOUIS CHARTOCK about the letter that had been sent to the City Council President.

69. On or about May 20, 2004, defendant PHILIP CHARTOCK met with the Philadelphia District Attorney's in preparation for the trial of M.G. In response to a question as to whether M.G.'s lawyer may seek to impeach defendant PHILIP CHARTOCK's credibility,

defendant PHILIP CHARTOCK stated that he had lent defendant RICHARD MARIANO money and that M.G. threatened to expose that transaction if defendant PHILIP CHARTOCK sought to prosecute M.G. for embezzlement. Defendant PHILIP CHARTOCK falsely said that the loan had been repaid.

70. On or about May 20, 2004, after defendant PHILIP CHARTOCK's meeting with the District Attorney's Office, defendant PHILIP CHARTOCK caused a letter to be faxed from Philadelphia to defendant LOUIS CHARTOCK in Fort Pierce, Florida. In this letter, which was dated May 3, 2004, defendant PHILIP CHARTOCK falsely stated that defendant RICHARD MARIANO had made the following cash payments to repay in full the \$5,873.74 that defendant PHILIP CHARTOCK allegedly lent to defendant MARIANO on May 10, 2002: (a) \$1,000 on May 7, 2003; (b) \$1,100 on August 14, 2003; (c) \$1,000 on January 16, 2003; (d) \$1,200 on February 17, 2004; (e) \$600 on March 25, 2004; and (f) \$973.74 on April 27, 2004.

71. On or about May 26, 2004, defendant LOUIS CHARTOCK faxed a letter from Fort Pierce, Florida to the District Attorney's Office in Philadelphia. In this letter, defendant LOUIS CHARTOCK falsely stated that defendant PHILIP CHARTOCK had loaned \$5,874 to defendant RICHARD MARIANO and that defendant MARIANO had repaid that debt. To support this false statement, defendant LOUIS CHARTOCK included the letter, dated May 3, 2004, from defendant PHILIP CHARTOCK to defendant MARIANO, in which defendant PHILIP CHARTOCK itemized the alleged cash repayments.

72. On or about December 19, 2004, defendant LOUIS CHARTOCK faxed a letter from Fort Pierce, Florida to the District Attorney's Office in Philadelphia. In this letter,

defendant LOUIS CHARTOCK again falsely stated that defendant PHILIP CHARTOCK had made a loan to defendant RICHARD MARIANO “as a personal favor for the Councilman by Philip,” and that the loan had been repaid.

73. On or about January 1, 2005, defendant LOUIS CHARTOCK faxed a letter from Fort Pierce, Florida to the District Attorney’s Office in Philadelphia. In this letter, defendant LOUIS CHARTOCK falsely stated, “Regarding Philip’s loan to the Councilman, no goods or services were provided in consideration of this loan. It seems that it may be construed as merely a loan to a friend, not expecting anything in return, which was paid back in due course.”

All in violation of Title 18, United States Code, Section 371.

**COUNTS TWO TO NINE**

**HONEST SERVICES MAIL FRAUD**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 to 7 and 10 to 13 and Overt Acts 1 to 73 of Count One of this indictment are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, the defendants listed below, having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant RICHARD MARIANO's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, and attempting to do so, knowingly caused to be delivered by the United States mail or by a commercial interstate carrier, according to directions thereon, the items listed below, each use of the United States mail or a commercial interstate carrier being a separate count:

<b>COUNT</b>	<b>DATE</b>	<b>DEFENDANTS</b>	<b>DESCRIPTION</b>
2	5-10-02	RICHARD MARIANO PHILIP CHARTOCK	A check from Erie Steel, Ltd. in the amount of \$5,873.75 sent by U.S. mail to Fleet Credit Card Services, Post Office Box 15368, Wilmington, Delaware 19886.
3	8-28-02	RICHARD MARIANO PHILIP CHARTOCK LOUIS CHARTOCK JOSEPH PELLECCCHIA	A Citizens Bank bank check in the amount of \$6,772 sent by U.S. mail to AT&T Universal Card, Post Office Box 8115, South Hackensack, NJ 07606.



<b>COUNT</b>	<b>DATE</b>	<b>DEFENDANTS</b>	<b>DESCRIPTION</b>
4	12-6-02	RICHARD MARIANO PHILIP CHARTOCK VINCENT DIPENTINO	A PNC check in the amount of \$10,900 sent by U.S. mail to Capital One, Post Office Box 85147, Richmond, VA 23276.
5	12-6-02	RICHARD MARIANO PHILIP CHARTOCK	A letter from PHILIP CHARTOCK sent by U.S. mail to the City of Philadelphia Department of Public Health Air Management Services Division, with a carbon copy to RICHARD MARIANO, in which CHARTOCK stated that he would submit a request for exemption from the City of Philadelphia operating permit requirement.
6	11-17-03	RICHARD MARIANO PHILIP CHARTOCK	A letter from PHILIP CHARTOCK sent by U.S. mail to PECO, with a carbon copy to RICHARD MARIANO, seeking a rate reduction for Erie Steel, Ltd. because of its inclusion in the KOZ.
7	2-27-04	RICHARD MARIANO PHILIP CHARTOCK	A letter from PHILIP CHARTOCK sent by U.S. mail to V.D. informing the City of Philadelphia of Erie Steel, Ltd.'s efforts, with the assistance of RICHARD MARIANO, to resolve outstanding tax issues so that Erie Steel, Ltd. could receive the KOZ tax benefits.

<b>COUNT</b>	<b>DATE</b>	<b>DEFENDANTS</b>	<b>DESCRIPTION</b>
8	10-12-04	RICHARD MARIANO PHILIP CHARTOCK LOUIS CHARTOCK	A letter from LOUIS CHARTOCK sent by U.S. mail to RICHARD MARIANO seeking MARIANO's assistance removing a judgment against Erie Steel, Ltd. so that Erie Steel, Ltd. could receive the KOZ tax benefits.
9	1-15-05	RICHARD MARIANO LOUIS CHARTOCK	A letter from LOUIS CHARTOCK sent by U.S. mail to RICHARD MARIANO seeking MARIANO's assistance in compromising a delinquent state tax debt owed by Louis Chartock, Inc.

All in violation of Title 18, United States Code, Sections 1341, 1346, and 2.

**COUNTS TEN TO SEVENTEEN**

**HONEST SERVICES WIRE FRAUD**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 to 7 and 10 to 13 and Overt Acts 1 to 73 of Count One of this indictment are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, the defendants listed below, having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant RICHARD MARIANO's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DEFENDANTS	DESCRIPTION
10	11-25-02	RICHARD MARIANO LOUIS CHARTOCK	LOUIS CHARTOCK faxed a letter (from his home in Longport, New Jersey) to RICHARD MARIANO in Philadelphia, Pennsylvania, in which LOUIS CHARTOCK asked MARIANO to introduce legislation to include Erie Steel, Ltd. in the KOZ.

<b>COUNT</b>	<b>DATE</b>	<b>DEFENDANTS</b>	<b>DESCRIPTION</b>
11	3-4-04	RICHARD MARIANO LOUIS CHARTOCK	LOUIS CHARTOCK faxed a letter (from his home in Fort Pierce, Florida) to A.D., a staffer in RICHARD MARIANO'S office in Philadelphia, Pennsylvania, in which LOUIS CHARTOCK sought zoning information for the Erie Steel, Ltd. property in anticipation of a potential sale.
12	March 2004	RICHARD MARIANO LOUIS CHARTOCK	Telephone conversation between RICHARD MARIANO in Philadelphia, Pennsylvania, and LOUIS CHARTOCK, in Florida, in which LOUIS CHARTOCK complained that A.D. would not obtain zoning certifications for LOUIS CHARTOCK.
13	5-20-04	RICHARD MARIANO LOUIS CHARTOCK	Telephone conversation between RICHARD MARIANO, in Philadelphia, Pennsylvania, and LOUIS CHARTOCK, in Florida, regarding a letter that had been sent to the City Council President.
14	5-20-04	RICHARD MARIANO PHILIP CHARTOCK LOUIS CHARTOCK	A letter from PHILIP CHARTOCK faxed from Philadelphia, Pennsylvania to LOUIS CHARTOCK in Florida in which PHILIP CHARTOCK falsely stated that RICHARD MARIANO had repaid in full the \$5,873.74 that PHILIP CHARTOCK allegedly lent to MARIANO on May 10, 2002.

<b>COUNT</b>	<b>DATE</b>	<b>DEFENDANTS</b>	<b>DESCRIPTION</b>
15	5-26-04	RICHARD MARIANO LOUIS CHARTOCK	LOUIS CHARTOCK faxed a letter from Florida to the District Attorney's Office in Philadelphia, Pennsylvania, in which LOUIS CHARTOCK falsely stated that PHILIP CHARTOCK had loaned \$5,874 to RICHARD MARIANO and that MARIANO had repaid that debt.
16	12-19-04	RICHARD MARIANO LOUIS CHARTOCK	LOUIS CHARTOCK faxed a letter from Florida to the District Attorney's Office in Philadelphia, Pennsylvania, in which LOUIS CHARTOCK again falsely stated that PHILIP CHARTOCK had made a loan to RICHARD MARIANO "as a personal favor for the Councilman by Philip," and that the loan had been repaid.
17	1-1-05	RICHARD MARIANO LOUIS CHARTOCK	LOUIS CHARTOCK faxed a letter from Florida to the District Attorney's Office in Philadelphia, Pennsylvania, in which LOUIS CHARTOCK falsely stated, "Regarding Philip's loan to the Councilman, no goods or services were provided in consideration of this loan. It seems that it may be construed as merely a loan to a friend, not expecting anything in return, which was paid back in due course."

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

**COUNT EIGHTEEN**

**MONEY LAUNDERING – THE AUGUST 2002 CREDIT CARD PAYMENT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 6 and 10 through 13 and Overt Acts 3 through 8 and 13 through 55 and 67 through 73 of Count One are incorporated here.
2. Between on or about August 26, 2002 and on or about August 28, 2002, to conceal and disguise the nature, source, ownership, and control of the corrupt \$6,772 payment made to defendant RICHARD MARIANO by Erie Steel, Ltd. – through defendants PHILIP and LOUIS CHARTOCK – defendants RICHARD MARIANO, PHILIP CHARTOCK, LOUIS CHARTOCK, and JOSEPH PELLECCCHIA caused the corrupt payment to be made out to W.B., a person known to the grand jury, caused the books and records to falsely reflect the payment as a repair maintenance expense, caused R.M., the wife of defendant PELLECCCHIA, to deposit the check made out to W.B. into a joint account at Citizens Bank, and then caused R.M. to purchase a bank check made payable to AT&T Universal Card to pay the personal credit card debt of defendant MARIANO.
3. On or about August 28, 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

**RICHARD MARIANO  
PHILIP CHARTOCK  
LOUIS CHARTOCK and  
JOSEPH PELLECCCHIA**

knowingly conducted and attempted to conduct, and aided, abetted, and willfully caused the conducting of, a financial transaction affecting interstate commerce, that is, the deposit of an

Erie Steel, Ltd. check drawn on an account at Mellon Bank representing the proceeds of a corrupt payment to defendant RICHARD MARIANO into an account at Citizens Bank titled in the name of W.B. and R.M. and the purchase of a Citizens Bank bank check made payable to AT&T Universal Card in the amount of \$6,772.

4. When conducting, aiding, abetting, and willfully causing the financial transaction described in paragraph 3 above, defendants RICHARD MARIANO, PHILIP CHARTOCK, LOUIS CHARTOCK, and JOSEPH PELLECCCHIA knew that the property involved in that financial transaction represented the proceeds of some form of unlawful activity, namely the violations of Title 18, United States Code, Sections 1341 and 1346 charged in Count Three of this indictment.

5. The financial transaction described in paragraph 3 above involved the proceeds of a specified unlawful activity, that is, honest services mail fraud, in violation of Title 18, United States Code, Sections 1341 and 1346, and defendants RICHARD MARIANO, PHILIP CHARTOCK, LOUIS CHARTOCK, and JOSEPH PELLECCCHIA acted with the knowledge that the transaction was designed, in whole or in part, to conceal and disguise the nature, source, ownership, and control of the proceeds of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

**COUNT NINETEEN**

**MONEY LAUNDERING – THE DECEMBER 2002 CREDIT CARD PAYMENT**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 5, 7, and 10 though 13 and Overt Acts 3 through 4, 9 through 45 and 56 through 73 of Count One are incorporated here.

2. On or about December 6, 2002, to conceal and disguise the nature, source, ownership, and control of the corrupt \$10,900 payment made to defendant RICHARD MARIANO by Erie Steel, Ltd. – through defendant PHILIP CHARTOCK – defendants RICHARD MARIANO, PHILIP CHARTOCK, and VINCENT DIPENTINO caused the corrupt payment to be made out to Recon International Inc., caused the books and records to falsely reflect the payment as a freight, equipment, rental expense, caused the deposit of the check into defendant DIPENTINO's account at PNC Bank, and then caused defendant DIPENTINO to write a personal check made payable to Capital One to pay the personal credit card debt of defendant MARIANO.

3. On or about December 6, 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

**RICHARD MARIANO  
PHILIP CHARTOCK and  
VINCENT DIPENTINO**

knowingly conducted and attempted to conduct, and aided, abetted, and willfully caused the conducting of, a financial transaction affecting interstate commerce, that is, the deposit of an Erie Steel, Ltd. check drawn on an account at Mellon Bank representing the proceeds of a



corrupt payment to defendant RICHARD MARIANO into an account at PNC Bank titled in the name of defendant DIPENTINO and the writing of a personal check drawn on the personal account of defendant DIPENTINO at PNC Bank made payable to Capital One in the amount of \$10,900.

4. When conducting, aiding, abetting, and willfully causing the financial transaction described in paragraph 3 above, defendants RICHARD MARIANO, PHILIP CHARTOCK, and VINCENT DIPENTINO knew that the property involved in that financial transaction represented the proceeds of some form of unlawful activity, namely the violations of Title 18, United States Code, Sections 1341 and 1346 charged in Count Four of this indictment.

5. The financial transaction described in paragraph 3 above involved the proceeds of a specified unlawful activity, that is, honest services mail fraud, in violation of Title 18, United States Code, Sections 1341 and 1346, and defendants RICHARD MARIANO, PHILIP CHARTOCK, and VINCENT DIPENTINO acted with the knowledge that the transaction was designed, in whole or in part, to conceal and disguise the nature, source, ownership, and control of the proceeds of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

## **COUNTS TWENTY TO TWENTY-TWO**

### **BRIBERY**

#### **THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 3 and 8 of Count One are incorporated here.

2. The City of Philadelphia constituted a local government which received annual benefits in excess of \$10,000 each year in calendar years 2002, 2003 and 2004 under Federal programs involving grants, contracts, subsidies, loans, guarantees, and other forms of federal assistance.

#### **A. THE AUTHORIZATION OF THE SALE OF 2730-70 N. AMERICAN STREET**

3. In or about 1980, the City of Philadelphia acquired approximately 1.4 acres of vacant land located at 2730-70 North American Street from the E.F. Houghton Company.

4. At various times the City of Philadelphia, the City's Vacant Property Review Committee, the City's Department of Commerce, the Redevelopment Authority of the City of Philadelphia ("RDA"), the Philadelphia Industrial Development Corporation ("PIDC"), and the Philadelphia Authority for Industrial Development ("PAID") – all of which are government agencies receiving federal funds – considered selling 2730-70 North American Street to a private developer, including considering the possibility of selling the property to a company controlled by defendant REINALDO PASTRANA.

5. To approve such a sale, Philadelphia City Council would have to authorize the sale either through a resolution if the sale is to be made at fair market value or through an ordinance if the sale is to be made on other terms.

6. On or about January 9, 2001, defendant REINALDO PASTRANA appeared before the City's Vacant Property Review Committee and, with the support of RICHARD MARIANO, received the Committee's approval to purchase the property at 2730-70 North American Street for fair market value.

7. On or about June 14, 2001, defendant REINALDO PASTRANA received notice that the appraised value of 2730-70 North American Street was approximately \$400,000.

8. On or about March 5, 2002, the City's Vacant Property Review Committee, at the request of defendant REINALDO PASTRANA and with the support of RICHARD MARIANO, agreed to give defendant PASTRANA a credit for his costs incurred in required environmental studies and clean-up to purchase the property at 2730-70 North American Street. In approving this credit, the Committee understood that the Commonwealth of Pennsylvania was going to pay through a grant 75% of the environmental study cost – up to approximately \$81,750 – and that defendant PASTRANA would pay the remaining cost.

9. On or about June 6, 2002, defendant REINALDO PASTRANA wrote to the City's Department of Commerce and stated that he believed that the cost to purchase 2730-70 North American Street at the appraised value was too high – even with the credit for environmental studies and clean-up – and instead offered the City of Philadelphia \$100,000 to purchase the property.

10. On or about August 16, 2002, defendant REINALDO PASTRANA wrote to RICHARD MARIANO seeking his support for the sale of 2730-70 North American Street for \$100,000.

11. On or about October 3, 2002, RICHARD MARIANO introduced into Philadelphia City Council Bill Number 020603, which would permit the City (through two related agencies, PIDC and PAID) to sell the property at 2730-70 North American Street for \$100,000 to Lance Investments, a company controlled by defendant REINALDO PASTRANA.

12. On or about October 4, 2002, RICHARD MARIANO sent a letter to the Chair of the Public Property Committee, seeking a hearing on Bill Number 020603.

13. On or about October 29, 2002, Philadelphia City Council Committee on Public Property held a hearing on Bill Number 020603. Bill Number 020603 was voted favorably out of the Committee and placed on the agenda of City Council for a vote.

14. On or about November 14, 2002, Philadelphia City Council was scheduled to consider Bill Number 020603. Because of a newspaper article questioning the appropriateness of the sale of 2730-70 North American Street to defendant REINALDO PASTRANA, City Council did not act on Bill Number 020603 that day.

15. On or about November 21, 2002, Philadelphia City Council again considered Bill Number 020603. RICHARD MARIANO voted in favor of Bill Number 020603, which authorized the City to transfer the property at 2730-70 North American Street to PIDC and PAID so that the property could be sold to Lance Investments for \$100,000. On or about December 3, 2002, the Mayor of Philadelphia signed Bill Number 020603 into law.

**B. THE FIRST PAYMENT BY PASTRANA FOR MARIANO'S CLUB FEES**

16. On or about December 12, 2002 – just nine days after the Mayor signed Bill Number 020603 into law – defendant REINALDO PASTRANA attempted to pay RICHARD MARIANO's membership fee of \$1,812.60 at the Sporting Club at the Bellevue, an

exclusive athletic club in Center City Philadelphia, using a credit card in the name of REINALDO PASTRANA.

17. On or about December 19, 2002, after the credit card company declined the transaction, defendant REINALDO PASTRANA paid to the Sporting Club RICHARD MARIANO's membership fee of \$1,812.60.

**C. THE FIRST RESERVATION OF RIGHTS LETTER TO PASTRANA**

18. On or about March 21, 2003, defendant REINALDO PASTRANA received a letter from PIDC informing him that PIDC was reserving the land at 2730-70 N. American Street for sale to him. PIDC also informed defendant PASTRANA that it would pay 75% of the costs of a required environmental study and that defendant PASTRANA would be responsible for approximately \$34,000 of the costs of this study.

19. On or about September 2, 2003, defendant REINALDO PASTRANA contacted V.D., a City official who is known to the grand jury, and expressed concern that his time for completing the purchase of 2730-70 N. American Street had expired. That same day, defendant PASTRANA received a letter from PIDC informing him that PIDC was reserving the land at 2730-70 N. American Street for sale to him until March 11, 2004.

**D. THE SECOND AND THIRD PAYMENTS BY PASTRANA**

20. On or about January 14, 2004, defendant REINALDO PASTRANA paid RICHARD MARIANO's membership fee of \$1,858.20 at the Sporting Club at the Bellevue, using a credit card in the name of Plaza Beverage.

21. On or about December 20, 2004, defendant REINALDO PASTRANA paid RICHARD MARIANO's membership fee of \$1,882.20 at the Sporting Club at the Bellevue, using a credit card in the name of Lance Investments.

**E. THE PROCESS TO COMPLETE THE SALE TO PASTRANA**

22. On or about February 4, 2004, defendant REINALDO PASTRANA received a letter from PIDC informing him that PIDC was reserving the land at 2730-70 N. American Street for sale to him until June 15, 2004.

23. On or about June 15, 2004, defendant REINALDO PASTRANA received a letter from PIDC informing him that PIDC was reserving the land at 2730-70 N. American Street for sale to him until September 15, 2004.

24. On or about March 30, 2005, defendant REINALDO PASTRANA completed the purchase of 2730-70 N. American Street for \$100,000 plus settlement costs, all based on the authorization provided by Bill No. 020603, which had been sponsored by RICHARD MARIANO.

**F. MARIANO'S FAILURE TO DISCLOSE THE PAYMENTS BY PASTRANA**

25. When RICHARD MARIANO filed his Commonwealth and City Statements of Financial Interests for years 2002, 2003, and 2004, MARIANO failed to report, as he was required to do by local and state law, that he had received from defendant REINALDO PASTRANA a membership at the Sporting Club at Bellevue worth approximately \$1,800 per year, and totaling approximately \$5,400.

26. On or about the following dates, in the Eastern District of Pennsylvania,  
defendant

**REINALDO PASTRANA**

corruptly gave, offered, and agreed to give a thing of value to RICHARD MARIANO, an elected member of Philadelphia City Council and an agent of the City of Philadelphia, a local government which received benefits of over \$10,000 in a one-year period under a Federal program involving a grant, contract, subsidy, loan, and other form of federal assistance, intending to influence and reward MARIANO in connection with business, a transaction, and series of transactions of the City of Philadelphia of value of \$5,000 or more, that is, the sale of 2730-70 North American Street for \$100,000:

<b>COUNT</b>	<b>DATE</b>	<b>DESCRIPTION</b>
20	12-19-02	\$1,812.60 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO
21	1-14-04	\$1,858.20 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO
22	12-20-04	\$1,882.20 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO

All in violation of Title 18, United States Code, Section 666(a)(2) and (b).

**COUNTS TWENTY-THREE TO TWENTY-FIVE**

**BRIBERY**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 25 of Counts Twenty to Twenty Two are incorporated here.
2. On or about the following dates, in the Eastern District of Pennsylvania, defendant

**RICHARD MARIANO,**

an elected member of Philadelphia City Council and an agent of the City of Philadelphia, a local government which received benefits of over \$10,000 in a one-year period under a Federal program involving a grant, contract, subsidy, loan, and other form of federal assistance, corruptly solicited and demanded for his own benefit anything of value intending to be influenced and rewarded in connection with business, a transaction, or series of transactions of the City of Philadelphia involving anything of value of \$5,000 or more, that is, the sale of 2730-70 North American Street for \$100,000:

COUNT	DATE	DESCRIPTION
23	12-19-02	\$1,812.60 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO
24	1-14-04	\$1,858.20 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO
25	12-20-04	\$1,882.20 Payment to the Sporting Club at the Bellevue on behalf of RICHARD MARIANO

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and (b).



**COUNT TWENTY-SIX**

**FALSE TAX RETURN OF RICHARD MARIANO – 2002**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about April 6, 2003, in the Eastern District of Pennsylvania, defendant

**RICHARD MARIANO**

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant RICHARD MARIANO did not believe to be true and correct as to every material matter, in that the return substantially under reported his total income, when in fact, as defendant RICHARD MARIANO well knew, his total income was substantially more than what he reported, in that he had received more than approximately \$23,000 in unreported payments from Erie Steel, Ltd., PHILIP CHARTOCK, LOUIS CHARTOCK, JOSEPH PELLECCIA, and VINCENT DIPENTINO and approximately \$1,800 in unreported payments from REINALDO PASTRANA, all of which were made to influence and reward MARIANO's official actions as an elected member of Philadelphia City Council.

In violation of Title 26, United States Code, Section 7206(1).

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**PATRICK L. MEEHAN**  
**UNITED STATES ATTORNEY**